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C O N F I D E N T I A L SECTION 01 OF 03 RANGOON 000842

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SUBJECT: BURMA: NGOS, UN IN FAVOR OF GLOBAL FUND RETURN

REF: A. RANGOON 797
[1](#)B. RANGOON 279
[1](#)C. STATE 105179

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Classified By: Economic Officer Samantha A. Carl-Yoder for Reasons 1.4
(b and d)

Summary

[1](#)1. (C) International NGOs and UN agencies active in Burma have been approaching us, seeking USG support for the Global Fund's possible return to Burma, citing their perception of an urgent humanitarian need for increased health assistance and their experience that they can achieve life-saving accomplishments in Burma, despite a third-world bureaucratic environment. Several NGO representatives argue that additional engagement with the Ministry of Health on communicable diseases may motivate the GOB to reform its health system - in part because of the embarrassment another Global Fund withdrawal would bring. The Minister of Health confirmed the "embarrassment" factor to the Charge during a UN Day event in Nay Pyi Taw October 24, saying that, if the USG is not willing to support the Global Fund's return to Burma, the GOB will forgo its application plans. End Summary.

UN, NGOs See a Fundamental Need for Assistance

[1](#)2. (SBU) Burma-based UN and NGO representatives have been appealing to us in recent days to support the return of the Global Fund to Burma, arguing that Burma's health statistics show an acute need for increased health assistance. They assert that Burma needs the Global Fund to cover funding

shortfalls and ensure that people receive necessary medicines for HIV/AIDS, Malaria, and TB. Several NGO representatives concede that the GOB could allocate additional government funding for such health programs, but note that countries wealthier than Burma receive Global Fund grants. UN and NGO officials argue that the Burmese people have a fundamental human right to medical treatment, and stress to us their view that the humanitarian need for Global Fund support in Burma outweighs any potential counter-arguments.

¶3. (SBU) NGO and UN officials have expressed concerns about the spread of tuberculosis and malaria throughout the country and possibly the region, as Burma's incidence rates continue to skyrocket. Officials note that the 2009 end of the Global Drug Facility grant, which has provided USD three million annually for first-line TB drugs, will only exacerbate Burma's TB problems, creating an environment conducive for new strains of multi-drug resistant and extremely drug resistant TB (Refs A and B).

Health NGOs: We Are Able to Operate Successfully

¶4. (C) NGO and UN representatives acknowledge that conducting their health activities in Burma is not easy, but all emphasize that they have been successfully providing health assistance to the Burmese people. Since the withdrawal of the Global Fund in 2005, many NGOs have expanded their health programs to new regions. Frank Smithuis, Director of Medecins Sans Frontiers (MSF)-Holland and long-term resident of Burma, points out that NGOs have found ways to work in Burma, circumventing many of the regime's more archaic policies. For example, the Three

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Diseases Fund (3DF), which was established in 2006 by a consortium of donors after the withdrawal of the Global Fund, has, in collaboration with partners, successfully treated more than six million patients by working through the private sector and by maintaining good relations with township-level officials who approve of the programs (septel).

¶5. (C) During a recent NGO roundtable, several NGO representatives observed to us that there are more challenging places to work than Burma. Smithuis is convinced the number of lives saved by humanitarian assistance outweighs the high cost of doing business in Burma and the hoops that NGOs and UN agencies have to jump through to get the job done. He said several NGOs, after being told by the Ministry of Health that they could not implement a specific program, did so anyway, and have had local authorities laud the program. In another instance, many NGOs, which had experienced problems and delays when procuring and importing medicines, turned to the 3DF, which has drug import permits, for assistance. NGOs have been able to get the job done, he emphasized, but often have to think outside the box to do so.

¶6. (C) Several NGOs and some bilateral donors have urged the U.S. not to "politicize" humanitarian assistance to Burma. Smithuis, noting that wealthier and more corrupt countries than Burma receive Global Fund support, told us he believes Burma's dire health situation warrants a Global Fund grant. He added that NGOs operating in Burma know how to implement and monitor such a grant to ensure that funds are used properly. Other NGO health implementers have emphasized the same.

The "Leverage" Argument

¶7. (C) Several NGO representatives have argued that the return of the Global Fund would give the international community increased leverage over the GOB. They believe the Ministry of Health, anxious to keep a Global Fund grant, could potentially improve cooperation and access to the

health sector. John Hetherington, PSI Director, told us that under the Round 9 application, the Country Coordinating Mechanism (CCM) will select two principal recipients (PRs) in Burma - one for civil society and one representing the government (since Global Fund restrictions on Burma prohibit the government from directly receiving money); Global Fund grants would flow through the PRs to the implementing partners. According to Hetherington, if the situation in Burma becomes too difficult, the Global Fund could adjust the PRs' funding levels, reallocating money to the civil society PR vice the PR representing the Burmese Government. Hetherington argues that a two PR system provides the Global Fund with flexibility, and could leverage the GOB to perform.

Several NGO representatives told us the GOB would view another Global Fund withdrawal as more embarrassing than an outright rejection of the GOB's Round 9 application.

Expanding Geographic Reach

¶18. (SBU) Several UN and NGO officials told us they believe the enhanced engagement that would be facilitated through a Global Fund grant could allow the international community to expand the opportunities created by Cyclone Nargis and increase presence in areas outside the Irrawaddy Delta.

Technically Sound Global Fund Application

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¶19. (C) Members of the CCM oversight mechanism for the 3DF, recently expanded for use with Global Fund issues as well, have told us that the Burmese Government has been working hard to meet the Global Fund's eligibility criteria, including the establishment of a transparent CCM with peer-elected members. UN officials are working with the Ministry of Health to ensure that any Round 9 application will be technically sound.

Ministry of Health Inquires about USG Position

¶10. (C) On the margins of the UN Day celebration in Nay Pyi Taw on October 24, the Minister of Health approached the Charge and raised the issue of the GOB's planned Round 9 application. The Minister clearly had been briefed on USG issues concerning any new GOB Global Fund application. He said the GOB has no wish to be embarrassed by a rejection. He asked that, if the USG decides not to support Burma's application, we let the GOB know; and the Ministry will not even submit it. The Charge briefly summarized U.S. concerns, per Ref C, regarding the significant problems and impediments the Global Fund faced in Burma prior to the withdrawal in ¶2005. He stressed it is crucial for the GOB to convince the USG and other donors that such problems would not recur under a new Global Fund grant, should one be approved.

Comment

¶11. (C) U.S. concerns about Burma's pending Global Fund application have clearly made an impact here among the UN and NGO crowd. The Minister of Health also obviously has received the message. UN and health-NGO representatives believe strongly that the Global Fund needs to return to Burma. They are taking every opportunity to stress to us that such a grant would benefit the Burmese people, not the government. They emphasize that a new Global Fund grant would include safeguards, similar to those in place for the 3D Fund (septel), which would prevent the GOB from receiving any direct or indirect funding. They also describe with pride their ability to implement 3DF and other aid programs successfully, often by working around GOB restrictions or securing the cooperation of local officials. No doubt the bureaucratic environment for a Global Fund return to Burma

would be less than perfect, though donors see Burma as no more difficult an environment than many other third-world countries in that respect. On the other hand, NGOs and some bilateral donors like the UK and Australia argue persuasively that the need is real and that the 3DF experience shows it is possible to achieve acceptable results here, thereby saving lives.

¶12. (C) The Minister of Health clearly wants to avoid an embarrassing denial of Global Fund monies, hence his apparent willingness to forego a Global Fund application if the USG is unwilling to support it. Given the Minister's generally positive performance regarding 3DF and his favorable track record in cooperating with donors (by GOB standards, at least), we should be as up front with him as possible, as early as possible, concerning USG intentions regarding Burma's Global Fund application. Post would appreciate further Washington guidance on any additional response we can provide the Health Minister.

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